

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION – FLINT**

In re:

James R. Bowers,

Debtor.

Case No. 20-31581

Chapter 13

Honorable Joel D. Applebaum

**OBJECTIONS BY CREDITOR EXTREME INDOOR KART RACING, LLC TO
CONVERSION OF THE DEBTOR'S CASE**

Now comes the Creditor, Extreme Indoor Kart Racing, LLC, by and through its attorneys, Beadle Smith, PLC and for its Objection to the Debtor's Motion to Convert his Chapter 13 case to Chapter 11 case and its request for Dismissal of this case, states as follows:

1. As indicated to the debtor when this case was originally filed on or about September 22, 2020, the debtor was ineligible to file a bankruptcy case under Chapter 13 as the debtor's unsecured debts exceeded the debt limits of \$419,275.00 under 11 U.S.C. § 109(e).¹

2. Some seven months later, after making sporadic payments to the Chapter 13 Trustee, the debtor now acknowledges that his unsecured debt exceeds the statutory mandate for a limits of unsecured debt for a Chapter 13 bankruptcy.

3. This was and is the debtor's third bankruptcy filing in less than one (1) year and debtor's bankruptcy and previous bankruptcy cases, have all been filed in bad faith, contained false oaths and appear to be orchestrated to manipulate the privilege afforded to debtors to avoid this Creditors Judgment.

4. Extreme is one of three creditors of the debtor. The other two are the Department

¹ - See docket no.'s 64 and 65

of Treasury and the State of Michigan. Those are the only creditors in this case.

5. The proposed Chapter 13 was proposed in bad faith as the debtor has testified that he as of the date of his filing, he was not entitled to any future rent payments for 2020 for the commercial real property he leases to Amy Hedrick and that his purported wages (without supporting documentation) for the year 2020 were paid in full in advance and he was not entitled to any more wages from his current employer for 2020.

6. Pursuant to the debtor's Statement of Financial Affairs filed in this case, the debtor in the past two (2) years has transferred his interests in two separate business entities, James Bowers Taxes and More and Vinyl Touch Graphix to the debtor's ex-spouse and current fiancé Amy Hedrick for no consideration and has failed to explain the basis or the reasons for these fraudulent transfers all while the Creditors in this bankruptcy were owed substantial monies from the debtor. The debtor and Ms. Amy Hedrick live together. See Exhibit B.

7. The debtor's current schedules are inconsistent and contrary to the schedules the debtor filed in his previous cases since September 2019 and the debtor has made false oaths to this Court, this creditor and his other creditors to their detriment.

8. The debtor does not meet the good faith requirements under the code and has taken actions over the past two years to maliciously injure his Creditors by divesting himself of assets that have substantial value and transferring them to Amy Hendrix who may be a non-statutory insider.

9. The debtor has used these prior bankruptcy filings to manipulate his finances and his asset holdings. The debtor actions, bankruptcy filings and proposed plan lack good faith as required by 11 U.S.C. §1325(a)(3).

10. Debtor, despite being a tax preparer, had unfiled and inaccurate tax returns which he claims to have purportedly filed with the Department of Treasury shortly after this case was filed in contravention of 11 U.S.C. §1325 and 11 U.S.C. §1308.

11. Despite proposing a monthly plan payment of \$6,500 per month, the debtor, based on his 341 testimony, is entitled to no income or wages in 2020 to fund a plan and therefore the debtor's proposed plan lacks feasibility under 11 U.S.C. §1325(a)(6) and he has failed to timely make his payments to the Chapter 13 Trustee.

12. Prior to March 3, 2021, the debtor had only made two (2) payments to the Trustee despite having an ACH wage order in effect. See Exhibit A.

13. As of the date of the filing of this Motion, the debtor was still delinquent in his plan payments and therefore, conversion should be denied under 11 U.S.C. §1307(c)(4). See Exhibit A.

14. The debtor's actions in the string of Chapter 13 cases that he has filed, including the actions in this case, constitutes unreasonable delay by the debtor that is prejudicial to creditors and therefore, conversion should be denied under 11 U.S.C. §1307(c)(1).

15. Debtor's counsel has a pending fee application that will consume a large portion of the monies on deposit with the Chapter 13 Trustee.²

WHEREFORE, the Creditor respectfully requests that this Honorable Court deny motion to convert this case to a Chapter 11 proceeding and dismiss this Chapter 13 case and grant such other and further relief as this Court deems just and equitable.

² See Docket no 85.

Respectfully submitted,

BEADLE SMITH, PLC

/s/ Thomas L. Beadle

THOMAS L. BEADLE (P39203)

Attorney for Creditor

Extreme Indoor Kart Racing, LLC

445 S. Livernois Road, Suite 305

Rochester Hills, MI 48307

(248) 650-6094, (248) 650-6095, fax

tbeadle@bbssplc.com

Dated: March 25, 2021

Exhibit A

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20-31581-JDA	JAMES R. BOWERS	8367 WILSON • • MONTROSE • MI • 48457	\$6,500.00 MO	Bar Date(s):	11/30/2020 (has passed) 3/22/2021 (has passed)
				Confirmed:	Not Confirmed
	Trustee: Carl L. Bekofske	Attorney: BANKRUPTCY LAW OFFICES		Case Status:	OPEN CASE

Debtor Pay Schedules

Start Date	Number Periods	Amount	How Often	Who's Paying	Order Date	Action
10/21/2020	end of plan	\$6,500.00	MONTHLY	ASH TAX SOLUTIONS	10/23/2020	None

Forgive Information

Date	Amount	Description
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Payments Expected for Step 1:

Period	Start Date	End Date	Payment Amount Expected	Total
1	10/21/2020	11/20/2020	\$6,500.00	\$6,500.00
2	11/21/2020	12/20/2020	\$6,500.00	\$13,000.00
3	12/21/2020	1/20/2021	\$6,500.00	\$19,500.00
4	1/21/2021	2/20/2021	\$6,500.00	\$26,000.00
5	2/21/2021	3/20/2021	\$6,500.00	\$32,500.00
6	3/21/2021	4/20/2021	\$6,500.00	\$39,000.00
7	4/21/2021	5/20/2021	\$6,500.00	\$45,500.00
8	5/21/2021	6/20/2021	\$6,500.00	\$52,000.00
9	6/21/2021	7/20/2021	\$6,500.00	\$58,500.00
10	7/21/2021	8/20/2021	\$6,500.00	\$65,000.00
11	8/21/2021	9/20/2021	\$6,500.00	\$71,500.00
12	9/21/2021	10/20/2021	\$6,500.00	\$78,000.00
13	10/21/2021	11/20/2021	\$6,500.00	\$84,500.00
14	11/21/2021	12/20/2021	\$6,500.00	\$91,000.00
15	12/21/2021	1/20/2022	\$6,500.00	\$97,500.00
16	1/21/2022	2/20/2022	\$6,500.00	\$104,000.00
17	2/21/2022	3/20/2022	\$6,500.00	\$110,500.00
18	3/21/2022	4/20/2022	\$6,500.00	\$117,000.00
19	4/21/2022	5/20/2022	\$6,500.00	\$123,500.00
20	5/21/2022	6/20/2022	\$6,500.00	\$130,000.00
21	6/21/2022	7/20/2022	\$6,500.00	\$136,500.00
22	7/21/2022	8/20/2022	\$6,500.00	\$143,000.00
23	8/21/2022	9/20/2022	\$6,500.00	\$149,500.00
24	9/21/2022	10/20/2022	\$6,500.00	\$156,000.00
25	10/21/2022	11/20/2022	\$6,500.00	\$162,500.00
26	11/21/2022	12/20/2022	\$6,500.00	\$169,000.00
27	12/21/2022	1/20/2023	\$6,500.00	\$175,500.00
28	1/21/2023	2/20/2023	\$6,500.00	\$182,000.00
29	2/21/2023	3/20/2023	\$6,500.00	\$188,500.00
Total				\$188,500.00

Breakdown for Combined Schedules

Period	Date (Month/Year)	Payment Due	Payment Received	Forgive Amount	Amount Due
1	10/2020	\$6,500.00			\$6,500.00
2	11/2020	\$6,500.00	\$6,500.00		\$6,500.00
3	12/2020	\$6,500.00	\$6,500.00		\$6,500.00
4	1/2021	\$6,500.00			\$13,000.00
5	2/2021	\$6,500.00			\$19,500.00
6	3/2021	\$6,500.00	\$13,000.00		\$13,000.00

Total Delinquent Amount: \$13,000.00

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20-31581-JDA	JAMES R. BOWERS	8367 WILSON • • MONTROSE • MI • 48457	\$6,500.00 MO	Bar Date(s):	11/30/2020 (has passed) 3/22/2021 (has passed)
				Confirmed:	Not Confirmed
	Trustee: Carl L. Bekofske	Attorney: BANKRUPTCY LAW OFFICES		Case Status:	OPEN CASE

Financials

Date	Payee	Payee Name	Source / Check	Description	Receipts	Disbursements
3/9/2021			X334	DEBTOR PAYMENTS REMITTED BY EMPLOYER DEDUCTION	\$6,500.00	
3/9/2021		**CHAPTER 13 TRUSTEE AT FLINT		TRUSTEE FEE		\$650.00
3/3/2021			X310	DEBTOR PAYMENTS REMITTED BY EMPLOYER DEDUCTION	\$6,500.00	
3/3/2021		**CHAPTER 13 TRUSTEE AT FLINT		TRUSTEE FEE		\$650.00
12/30/2020			XXX6241	CASHIERS CHECK/PAYMENT TO DEBTOR ACCT	\$6,500.00	
12/30/2020		**CHAPTER 13 TRUSTEE AT FLINT		TRUSTEE FEE		\$650.00
11/4/2020			XXX6431	CASHIERS CHECK/PAYMENT TO DEBTOR ACCT	\$6,500.00	
11/4/2020		**CHAPTER 13 TRUSTEE AT FLINT		TRUSTEE FEE		\$650.00
				Totals:	\$26,000.00	\$2,600.00

Exhibit B

Label Matrix for local noticing
0645-4
Case 20-31581-jda
Eastern District of Michigan
Flint
Thu Mar 25 16:27:52 EDT 2021

Carl Bekofske
400 N. Saginaw Street
Suite 331
Flint, MI 48502-2045

Amy Hedrick d/b/a/
Ash Tax Solutions
8367 Wilson Road
Montrose, MI 48457-9198

James R. Bowers
8367 Wilson
Montrose, MI 48457-9198

Thomas L. Beadle
Beadle Smith, PLC
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Credit Services
PO Box 6428
Saginaw, MI 48608-6428

Kevin Erskine
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Detroit, MI 48226-3220

Extreme Indoor Kart Racing. LLC
c/o Beadle Smith, PLC
445 S. Livernois, Ste 305
Rochester Hills, MI 48307-2577

Extreme Indoor Karts
2259 W Vienna Rd
Clio, MI 48420-2153

Leo Foley Jr.
2425 S. Linden Road
Suite C
Flint, MI 48532-5474

(p) INTERNAL REVENUE SERVICE
CENTRALIZED INSOLVENCY OPERATIONS
PO BOX 7346
PHILADELPHIA PA 19101-7346

George E. Jacobs
Bankruptcy Law Offices
2425 S. Linden Road
Suite C
Flint, MI 48532-5474

Katherine Carr Kerwin
3030 W. Grand Blvd.
Suite 10-200
Detroit, MI 48202-6030

Michigan Department of Treasury
Bankruptcy Unit
P.O. Box 30168
Lansing, MI 48909
5 48909-7668

State of Michigan
Collection Div.
P.O. Box 30199
Lansing, MI 48909-7699

State of Michigan
Collection/Bankruptcy Unit
POB 30158
Lansing, MI 48909-7658

State of Michigan, Department of Treasury
Michigan Department of Treasury
Cadillac Place
3030 W. Grand Blvd., Ste. 10-200
Detroit, MI 48202-6030

United States of America (IRS)
United States Attorney
211 W. Fort Street
Suite 2001
Detroit, MI 48226-3220

The preferred mailing address (p) above has been substituted for the following entity/entities as so specified
by said entity/entities in a Notice of Address filed pursuant to 11 U.S.C. 342(f) and Fed.R.Bank.P. 2002 (g) (4).

IRS
Centralized Insolvency Operations
P.O. Box 21126
Philadelphia, PA 19114

The following recipients may be/have been bypassed for notice due to an undeliverable (u) or duplicate (d) address.

(u) Extreme Indoor Kart Racing LLC

End of Label Matrix
Mailable recipients 17
Bypassed recipients 1
Total 18

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EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION – FLINT**

In re:

James R. Bowers,

Debtor.

_____ /

Case No. 20-31581

Chapter 13

Honorable Joel D. Applebaum

CERTIFICATE OF SERVICE

I hereby certify that on March 25, 2021, I electronically filed the **Creditor's Objections to Debtor's Request for Conversion** and this Certificate of Service and served same on all ECF participants and on the following parties at these addresses by regular first class mail:

James R. Bowers
8637 Wilson
Montrose, MI 48457

/s/ Thomas L. Beadle
Thomas L. Beadle (P39203)
Beadle Smith, PLC
Attorneys for Creditor Extreme
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